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Approved by:

Ali A. Abdi, Agricultural Attache
U.S. Consulate, Lagos

Prepared by:

Elmasoeur Ashitey

Report Highlights:

The Ghanaian market continues to offer many opportunities for U.S. exporters of consumer-ready food products and remains a key access point for entry into the West Africa region market. Demand for these products is expanding rapidly in Ghana, while the U.S. share has remained low at only 5 percent. Ghana's total food and agricultural imports in 2007 climbed to \$1 billion. This report presents background information and tips for exporters interested in entering this market.

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SECTION I MARKET OVERVIEW

Ghana is an important U.S. agricultural export market and offers expanding market opportunities due to its remarkable record of economic growth as well as its liberal import policies. Ghana's estimated population of 22 million is growing at approximately 3 percent annually. Also, the Government of Ghana (GOG) is positioning Ghana as the gateway to the larger West African market (250 million people).

Ghana's agricultural sector is largely subsistence-based, and employs over 60 percent of the population and contributes about 37 percent of GDP. The agricultural sector growth was 4.3 percent against a target of 6.1 percent for 2007 and this shortfall can be attributed to the erratic rainfall pattern which swept the northern part of the country in 2007. Ghana's agriculture consists of 80 percent crop production, 10 percent livestock, poultry and fishery production, and 10 percent forestry. Domestically produced food products that are traditionally consumed in Ghana include cereals, (corn, rice, sorghum), tubers (cassava), and other local fruits and vegetables. Despite some growth in the agriculture sector, Ghana remains a major importer of agricultural food products, including bulk commodities (rice and wheat) and consumer-ready food products such as poultry. There is a high demand for imported food products, especially consumer ready products, due to limited selection of products provided by the underdeveloped domestic agricultural and food processing sector in Ghana. The leading suppliers of intermediate and processed products to Ghana are EU, Asia and South Africa. U.S. exporters are advised to explore entering the expanding Ghanaian market and U.S. agribusiness firms interested in doing business in Ghana can seek assistance of the USDA/FAS office in Accra to develop business relationships with local companies, importers, and agents.

Ghana operates a relatively free market, and most tariffs are low. Ghana has stated its commitment to the ECOWAS Common External Tariff (CET) which it adopted in 2005 but has not started implementing yet. In July 2005, Ghana aligned its tariff rates of 0%, 5%, 10%, and 20% with those of the ECOWAS, but requested for type B exemptions for some items, until the end of the transitional period, 2006-2007. However, full implementation has still not commenced yet. Although Ghana has been slow to take full advantage of the enhanced market access offered under the African Growth and Opportunity Act (AGOA), it is increasing efforts in this area. Ghana was the second country (after Cote d'Ivoire), to sign a bilateral EPA-light with the EU. The implementation of this agreement would eliminate tariffs on virtually all of the Ghana's exports to Europe and on 80 percent of imports from the EU over the next 15 years.

Advantages and Challenges

Advantages	Disadvantages
Ghana's population of 22 million is growing at an annual rate of nearly 3 percent per annum.	The average per capita income in Ghana is low at an estimated \$300. The monthly minimum wage in Ghana is \$45.
Increasing rural to urban migration is raising demand for consumer ready foods. Ghanaian consumers perceive U.S. consumer ready foods as being of high-quality and demand for these is growing.	Some U.S. exporters are not as responsive to importer requests regarding price quotations, packaging and documentation as their EU and Asian competitors.
Ghana has an active and entrepreneurial middle class and a fast growing private sector.	U.S. consumer ready foods are not readily available in Ghana, while products from EU, South Africa, and Asia are in greater supply.
The HRI sector is expanding and is requiring more consumer ready products and ingredients.	Some U.S. firms view Ghana as too small a market for entry.
Ghanaian consumption patterns have changed towards Western foods as result of urbanization, women working outside the home and shift in lifestyles of the large youth population.	U.S. consumer ready foods typically have shorter shelf life labeling and longer transit times, thereby reducing shelf life of U.S. products in Ghana.
Middle-class incomes are rising and there is higher demand for healthy foods. The retail sector is shifting to more western style shops and convenience stores and away from traditional open air markets.	Infrastructure in Ghana is poor and energy and production costs are increasing. The infrastructure for processing, storage and distribution of consumer ready foods and other perishable products is limited in Ghana.
U.S. grocery items entering Ghana can be re-exported to neighboring West African countries (a market of 250 million people).	The tropical climate is not conducive to displaying many imported food products in the traditional open markets which still remain prevalent in Ghana.
Ghana will continue to import HVP items as most are not produced domestically. Ghana's domestic food processing capacity is still under-developed.	Most retail food outlets lack the expertise and capital needed to modernize and expand to meet the demands of the increasing retail market in Ghana.
The Government of Ghana (GOG), in line with its WTO obligations, has liberalized trade.	Some freight consolidators in the United States are unwilling to meet ordering and shipping requirements of Ghanaian importers.

SECTION II: EXPORTER BUSINESS TIPS

General and Agricultural Trade Situation

Ghana operates in a relatively free market environment and aims to make Ghana the gateway to the larger West African market. Ghana is a significant exporter and importer of goods, with total exports estimated at \$3.9 billion in 2007 and imports estimated at \$6.8 billion in 2007.

Ghana is a net importer of agricultural products, and in 2007 these imports equated to \$1 billion. Ghana is an important U.S. agricultural export market of bulk/intermediate commodities and is a major purchaser of U.S. rice (the largest in West Africa), poultry, wheat and high-value food products (processed fruits and vegetables). Major export competitors for the Ghanaian market are Asia, South Africa and the EU. Ghana continues to maintain strong trade relations with the EU especially the UK and the Netherlands. Trading with Asia, especially China, has increased dramatically for the past few years.

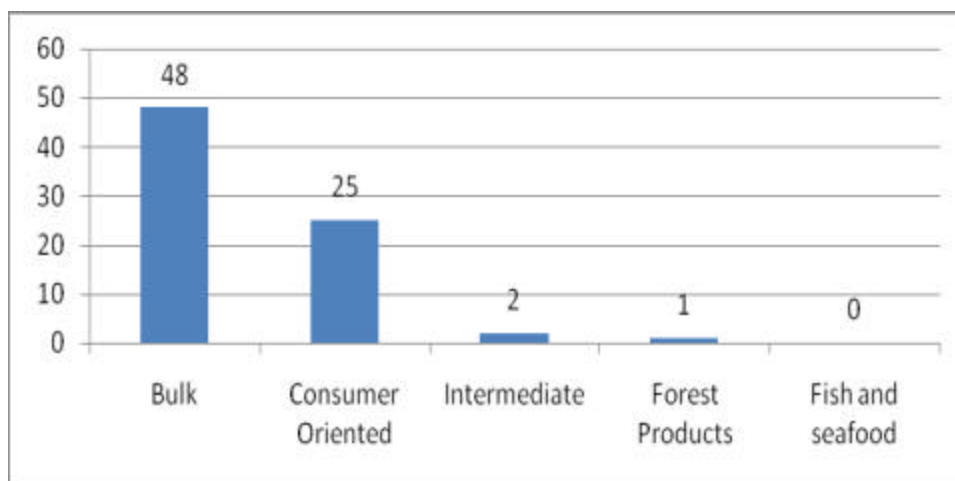
In 2007, Ghana's agricultural exports were approximately \$420 million, primarily timber and cocoa (which accounts for two-thirds of total agricultural exports). Major export destinations were the EU and the United States. In fact, Ghana is actually a net exporter of agricultural, fish and forestry products to the U.S. and exports in 2007 reached \$104 million (as opposed to imports of \$77.6). These exports were primarily cocoa beans, paste and butter and hardwood lumber and panel products.

US Agricultural Exports to Ghana

Total U.S. agricultural exports to Ghana in 2007 were approximately \$77.6 million, up 33 percent from \$58 million in 2006. The increase is mainly due to larger poultry and rice imports. Exports of U.S poultry exports to Ghana doubled to a record \$14 million. The chart below shows a breakdown of US food and agricultural product exports to Ghana in 2007:

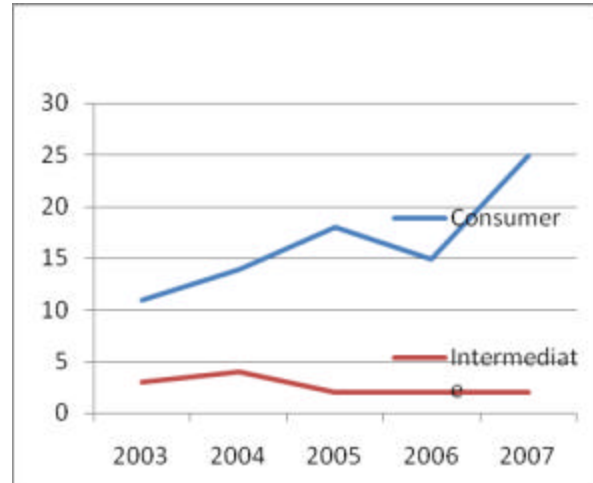
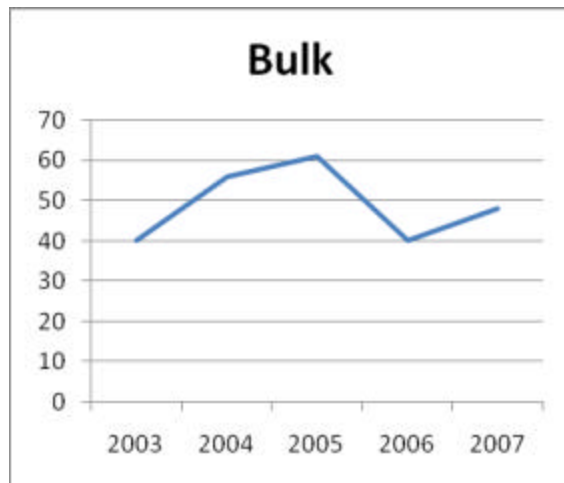
US Agricultural Export to Ghana CY 2007

\$ Million



US Agricultural Export to Ghana CY 2007

\$ Million



Source : FAS BICO Report

Buyers' Preferences and Regulations

Ghanaian importers prefer consumer-ready products with the following characteristics:

- ❖ Relatively small-sized products prepared and packaged for one-time use.
- ❖ Bulk, intermediate products and ingredients that can easily be re-packaged in Ghana without large additional production costs.
- ❖ Perishable food products processed and packaged for long shelf-life, and not requiring much refrigeration (such as milk powder, instant beverage drinks, etc).
- ❖ Mixed containers of high-value products and brands.
- ❖ Food products packaged with long 'Best Before' dates

Visit: <http://www.fas.usda.gov/gainfiles/200808/146295515.pdf> for details.

Product Registration and Regulations:

All processed food products must be registered with the Food and Drugs Board (FDB), Ghana, prior to being exported to Ghana. The importer typically pays for the cost of the product registration unless the exporter agrees to paying this cost. U.S. exporters are advised to contact the FAS/Accra office in Ghana when importers make such requests from them. The FDB is the GOG regulatory body for food product manufacturing, importation, advertisement and distribution in Ghana.

Visit: <http://www.fas.usda.gov/gainfiles/200808/146295515.pdf> for details.

Import Duties and Collections

The Ghana Customs Excise and Preventive Service (CEPS) is the GOG institution responsible for the collection of import duty. In 2001 the Ghana TradeNet was established to provide a fully integrated customs management software connected over a network to various operators who interact with Customs in the processing of import and export transactions to and from Ghana. Some of these operators include the banks, shipping companies, certification and licensing agencies as well as users of trade information.

The Ghana TradeNet is made up of two main components:

1. **The Ghana Customs Management System (GCMS)**, which provides the CEPS with a fully integrated computerized system for the processing and management of Customs Declarations and related activities. This system is designed to work in an Electronic Data Interchange (EDI) environment, where Manifests and Single Administrative Documents (SAD) are electronically received and automatically processed. In 2003 Ghana moved away from the use of ASYCUDA in processing Customs Declarations. Instead Ghana adopted and modified a Direct Trader Input system (DTI) that provides for online submission of custom documents and duty payments.
2. **Ghana Community Network (GCNet)** is a platform enabling GCMS to share data and other relevant information with all the parties involved in the processing of trade documents and customs clearances. The GCNet operates a seamless electronic system that links all trade operators, revenue agencies, and regulatory bodies through a "Single Window" system. The current set up contrasts sharply with the pre-GCNet situation when trade operators had to shuttle from one agency to the other while processing their trade and Customs transactions causing delays.

Utilizing GCNet/GCSM, consignments are being cleared within 1-2 days as opposed to an average of 2-3 weeks clearance time in the past.

Along with other ECOWAS countries, Ghana adopted a common external tariff (CET) in November 2005. In July 2005, Ghana aligned its tariff rates of 0%, 5%, 10%, 20% with those of the ECOWAS, but requested for type B exemptions for some items, until the end of the transitional period, 2006-2007. Currently, Ghana still maintains 190 exceptions to the CET. While tariff rates for the items covered under these exceptions are within the 0 percent to 20 percent range, they still require some increase or decrease to align with the CET. Ghana is currently in a transition period and is negotiating these exceptions with ECOWAS. The deadline for agreement on a comprehensive ECOWAS CET was January 1, 2008, but this has not yet been concluded.

Port Concessions and Destination Inspection Scheme

In March 2002, Ghana adopted a port concession by transferring port operations to private sector operators with the aim to significantly increase Ghana's cargo reception, storage, bonded warehousing and clearance capabilities, as well as providing consumers with a broader commercial choice. As such Ghana has become a cargo hub and transit route to land-locked Africa, attracting more external business through Ghanaian ports and borders.

Ghana abolished Pre-shipment Inspection effective, April, 1, 2000, and replaced it with the Destination Inspection Scheme [DIS] backed by computerized risk management, X-ray scanning and physical inspection. Now all exports to Ghana are subject to Destination Inspection unless specifically exempted by the Ministry of Trade and Industry. There are no threshold exemptions hence all imports are subject to inspection, regardless of their value. Inspection charges are currently pegged at 1% CIF value. The GOG has appointed two companies to provide destination inspection in Ghana: Gateway Services Limited (GSL) is

responsible for sea freight and Ghana Standards Board and Bureau Veritas (GSBV) is responsible for shipments arriving by air and land. In addition, depending on the imported goods, clearances may require the approval of FDB, Ghana Standards Board, National Drug and Narcotics Board and other agencies at the ports of Ghana.

Documentations, Export and Customs Clearing

Procedural Steps:

Method of payment

Letters of Credit (LC) are generally accepted as the method used in the payment of imported goods. The LC can be irrevocable or confirmed. Due to delays most importers utilize inter-bank wire transfers for the payment of their imported goods. The exporter simply ships the items to importer upon receipt of his bank transfer payments. This method has been helpful in speeding up the process. To establish an LC a Bank may require a signed proforma invoice (attested), IDF, pre-shipment notification from the Ghana Shippers Council, Marine insurance (normally covered in Ghana but not a precondition). This is a long process and could take more than two weeks. Upon receipt of the bank transfer the cargo is then shipped to Ghana. The shipment time by sea from the U.S. to Ghana, on the average takes three weeks. Air transport is about a day. It is advised that confirmed, irrevocable letters of credit opened by Ghanaian banks with correspondent banks in the United States be used to guarantee payment.

There are various stages in the customs clearance processes of cargo from the ports of Ghana. The clearance process starts with the valuation of the cargo, declaration of cargo data on to the GCNET, payment of duty and other relevant cargos, verification at the Compliance Section of CEPS, release by the Shipping Agent, delivery by Ghana Ports and Harbors Authority (GPHA) and CEPS physical examination or scanning of cargo before cargo is allowed to exit the port. Importers must appoint a licensed Customs House Agent/clearing agent (Legislative Instrument 1178 1978) with a credible reputation for the clearance of cargo at any freight station in Ghana. The Clearing agent will do the following on your behalf:

Valuation Stage:

All consignments imported into the country must be valued for tax and other purposes.

- ❖ Submit the final invoice, Import Declaration Form (IDF) from the Ministry of Trade & Industry, a copy of the Bill of Lading and Packing list (itemizing the value of the packages) two weeks before arrival of vessel to the designated Destination Inspection Company [DIC] for preparation of the Final Classification and Valuation Report (FCVR). The FCVR contains an assessment of the Dutiable Value, Import duty and VAT of the consignment.
- ❖ Pick up the Final Classification and Valuation Report [FCVR] from the DIC. Containerized cargo selected for scanning through the Risk Management System procedure of the Destination Inspection Companies is also indicated in the FCVR.

Tax Identification Number (TIN)

- ❖ Obtain a Tax Identification Number [TIN] form from the Internal Revenue Service [IRS], if you are a first time importer. Importers require Tax Identification Number (TIN) for Customs clearance of commercial goods. The TIN is a unique identification number generated by the Internal Revenue Service for every tax payer. This number has to be quoted in the entry that the importer or his representative would send the GCNET copy. Without a TIN, customs clearance of cargo from the port is not allowed.

Entry of Cargo Data onto GCNET

- ❖ Submit a declaration on the cargo electronically to Customs to the GCNet which is routed to the GCMS. The declaration includes;
 - i) Declaration regime (commercial or for domestic use)
 - ii) Consignee Name of vessel
 - iii) Date of arrival of vessel
 - iv) Number of packages Delivery terms (e.g. CIF, FOB, EX WORKS)
 - v) Total Invoice Value (TIV) as determined by CEPS or Destination Inspection Company (Breakdown of the TIV into FOB, freight and Insurance)
 - vi) Break-down of Items per consignment Commodity code of the items (10 digits)
 - vii) Customs Procedure Code (CPC) of commodity (this indicates whether Consignment is dutiable, free Exempt etc.)
- ❖ When the entry is validated, the GCMS generates and sends a response, commonly referred to as a Declaration to the front end declarant. The Declaration indicates all the taxes and tariffs that have to be paid on the consignment and the name of the CEPS officer to verify the declaration.

Payment of Duty

- ❖ Print out a hard copy of the response from GCMS and submit the signed Customs Declaration and attach all supporting documents such as the Bill of Lading, the Invoice, the IDF, the FCVR, the Packing List, an IRS Certificate as well as other relevant permits and documents at either of the GCNet participating banks (i.e. ECOBANK, Ghana Commercial Bank) in order to make payment. Special Bank Receipts are given to importers or their representatives to acknowledge payment.

Verification

- ❖ A hard copy of the Declaration, the Bank receipt, and Bill of Lading and all other relevant attaching documents are submitted to the designated Officer at CEPS Compliance Section for Verification of the documents and receipts.
- ❖ When no discrepancy is found, the cargo is ruled for First Release [i.e. 'prior to physical examination] or Final Release [i.e. without physical examination].
- ❖ Submit a hard copy of the Customs Declaration, the Bank receipt, and Bill of Lading and all other relevant documentation as well as the Delivery Order (earlier purchased from the Shipping Agent) to the Shipping Agents. This is to facilitate preparation of the cargo for physical examination pending release or immediate release as recommended by the CEPS Compliance Office
- ❖ The Delivery Order, (DO) which is in triplicate (green, pink and white or yellow) copies, must contain information such as the name of the consignee, name of vessel, date of arrival, port of loading and the particulars of cargo as indicated in the bill of lading. Other information that must be provided on the delivery order include the Customs House Agent handling the cargo, the bill of lading number; the container number; the seal number and the rotation number of the vessel.
- ❖ The Shipping Agent, on receipt of the documents, then prepares the bill for the consignment. After payment of the bill the cargo is authorized for release at the Port.
- ❖ Effect payment of the relevant GPHA charges at the port.
- ❖ Deposit the green copy of the DO with the GPHA Operations for the container to be dropped within 24 hours at the designated bay for physical examination by CEPS, if necessary.
- ❖ Present Declaration and accompanying documents to CEPS at the port gate to confirm clearance on the GCMS. GPHA security also checks the waybill covering the goods before the goods leave the port.

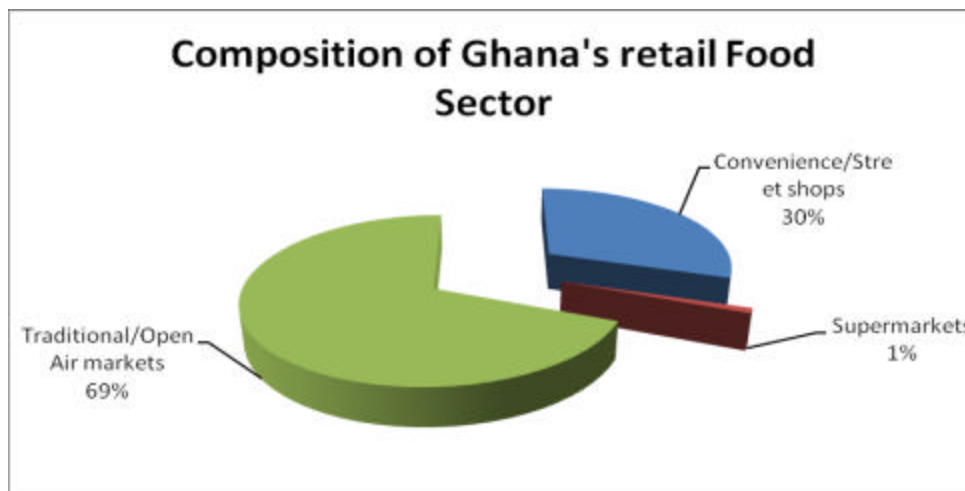
SCAN OPTION

- ❖ If your container is to be scanned, then deposit the declaration, DO and the Interchange [evidence of dropping container on the truck] at the CEPS office at the Scanning Area.
- ❖ Pick up your Scan number [appointment sheet] from the Scan operations office and
- ❖ Present the Appointment sheet to the Check-In Agent at the entrance of the scanner.
- ❖ Confirm final clearance of container after the scan at the CEPS office at the scanning

SECTION III: MARKET SECTOR STRUCTURE AND TRENDS

Retail Food Sector

Ghana's retail food sector consists of supermarkets (accounting for 1 percent of total retail sales), convenience stores/small grocery stores (30 percent) and traditional open air markets (69 percent). According to trade sources, retail food sales have grown about 10 percent annually since the enacting of trade liberalization policies by the GOG in 1991. The relative stability of Ghana is encouraging the growth of the expatriate population and Ghana is considered the gateway to other West African countries.

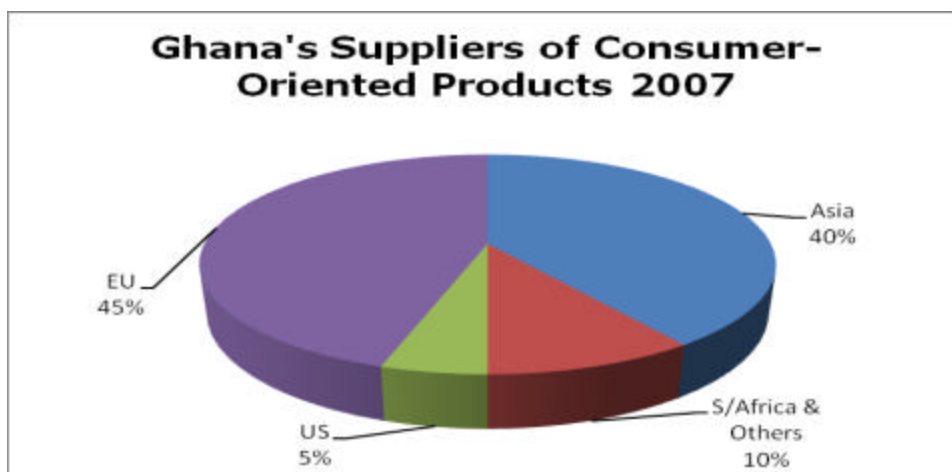


In 2007, consumer-oriented food imports were estimated at \$500 million and industry sources forecast imports could climb to as high as \$800 million by the end of 2008. Some of these products are re-exported to other African countries. The standard rate of duty for most food products is 20% (for example, rice) while raw materials are levied a duty of 10% (for example, wheat). A general exemption from payment on the import duty can be granted on items such as ingredients for the manufacture of poultry feeds if certified as such by the Ministry of Agriculture. The major players for distributing imported consumer oriented foods in Ghana are importers/distributors, wholesalers and retailers.

In 2007, U.S. exports of consumer-oriented products accounted for only 5 percent of total imports of these products, compared to 45 percent for the EU and 40 percent for Asian suppliers. The low U.S. market share is mostly due to:

- ❖ Higher freight charges for shipments from the United States to Ghana. There are few direct sea routes from the United States and most U.S. goods are transshipped through Europe, adding to shipping costs.

- ❖ Lack of expiry dates/best before labels on some U.S. products creating difficulty for the Ghanaian importer during clearing process and in marketing products.
- ❖ Some U.S. exporters are unwilling to meet Ghanaian importer demands especially on product specification and documentation.
- ❖ Insufficient contact between U.S. exporters of consumer oriented products and Ghanaian importers.
- ❖ Strong competition from traditional suppliers such as Asia, South Africa, and the EU.



The USDA's BICO report indicates that the value of U.S. consumer oriented food exports to Ghana increased by 40 percent in 2007 from \$15 million in 2006 to \$25 million in 2007. In addition, these exports have continued to climb in 2008 and are currently up 80 percent year to date. Poultry meat, breakfast cereals, dairy products, processed fruits and vegetables, fruit and vegetable juices and wines and beer make up most of these imports.

Food Processing (FP)

Although food processing is underdeveloped in Ghana, the sector accounts for nearly 30 percent of Ghana's manufacturing sector, and according to official sources manufacturing industry has an estimated 25 percent share of Ghana GDP. Manufacturers are focusing on packaging and selling products in affordable small units for one-time use in order to boost sales and increase market share. A growing concern among Ghanaian consumers with regard to food safety and healthy diets are also increasing demand for higher quality products. As a result, domestic processors are developing and improving food products in order to meet the needs of this niche market.

There has been increased interest shown by suppliers from the EU, Asia, and South Africa in the Ghanaian intermediate/food ingredient sector and these suppliers have been quick to adapt to the requirements of this growing sector. Ghanaian food processors perceive U.S. food ingredient suppliers as reliable in terms of volume, standards, and quality but U.S. exporters are constrained by:

- Limited knowledge of the Ghanaian food ingredient market.
- Strong competition from South Africa, the EU and Asian suppliers.
- Local infrastructure and operational capital are limited and local production costs are high.
- Ghanaian importers lack knowledge of food ingredients available from the US.

- Limited contact between Ghanaian businesses and U.S. exporters.

Major Exports to Food Processing Sector

Bulk	Intermediate	Processed
Edible and inedible Fat Raw Sugar Refined Sugar Malt Wheat Rice	Corn Starch Dairy Products Ethanol Fruit Juice Concentrate Fruit pre-mixes & syrup Ice Cream Pre-mixes Other Beverage Bases Flavors, Sweeteners, Micro nutrients, other ingredients for food and feedstuff processing, etc.	Baking mixes, Yeast & Baking Powder Jam & Jellies Mayonnaise Salad Dressing Sauces, Spices Tomato Ketchup Seasonings, etc

Food Service (HRI)

Ghana's food service sector consists of hotels, restaurants and institutional contracts (HRI).

The HRI sector is valued at \$500 million and has been expanding rapidly over the past five years. This sector represents a growing market for imported food ingredients. Growth in the HRI sector is driven by economic growth, changing consumption patterns, an expanding tourism sector. Increasing urbanization, more women working outside the home and changing lifestyle of the large youth population have led to greater consumption of western style convenience foods. The largest and fastest growing segment of HRI is the quick service restaurants (QSR) and this segment is expected to continue to experience strong growth as convenience QSRs become more and more important in the Ghanaian way of life. In the hotel segment, major international hotels are being built or renovated in Ghana including the Holiday Inn (operational), Marriot, Sheraton, Hilton, and others.

Because of this growth there is increased demand from the HRI sector for high-quality food ingredients. U.S. products with best market prospects include potato chips, sauces, seasonings, pastry mixes, canned food, wine, beer, ice cream, and fruit juices. Except for wines the import duties on these products is 20 percent. In addition, major food service operators are looking for franchises to represent major U.S. companies in Ghana, especially in the quick restaurant sector.

Seafood/Frozen Fish

The fishing industry in Ghana is estimated to contribute 3 percent of the total GDP. Fish is a cheaper and preferred source of animal protein contributing about 60 percent of animal protein intake in Ghana. While the national average fish requirement is approximately 800,000 metric tons annually, the domestic fish catch (production) only provides about half of this requirement. Ghana is thus a large net importer of seafood and in 2007 Ghana imported fish worth \$260 million, up from \$209 million in 2006.

Ghanaians perceive U.S. seafood to be of a higher quality than other supplies, although high freight rates often make imports from the U.S. uncompetitive. Ghana's seafood imports are

mostly from the African region (Mauritania, Angola, Morocco, Namibia and Senegal). The EU especially Holland also supplies seafood to Ghana.

	2006(Tons)	2007(Tons)	2008 (Estimates)
Total Market size	675	840	860
Total production	400	440	460
Total Exports	N/A	N/A	N/A
Total Imports	375	400	400
Imports from the US	0	0	0

Note: Figures in tons; Estimates from industry sources.

Aquaculture

Aquaculture has only recently been adopted as an assured way of meeting the deficit in Ghana's fish requirements. Tilapia is the major species farmed and constitutes over 80 percent of aquaculture production, with catfish accounting for the remaining 20 percent. There are about 1,000 fish farmers and over 2,000 ponds with a total surface area of about 350 ha. However, total average annual production from aquaculture currently stands at only about 1000 MT. It has been estimated that the production from ponds and culture-based fisheries is worth about US\$ 1.5 million a year.

As a result of GOG collaboration with local and external stakeholders (including local farmers, local companies, World Bank, WHO, FAO, NEPAD, etc), local production of aquaculture has been increasing. According to the Minister of Fisheries, Ghana is aggressively pursuing 'the Aquaculture Development Policy' as a profitable business venture. As such the GOG is supporting a UN FAO project in the Volta Basin to develop a fast growing specie, the Genetically Improved Farmed Tilapia (GIFT) that would make fish farming commercially and economically attractive, adding that GIFT would take about four to six months to mature for harvesting. However, growth in the sector is being threatened by increasing costs of aquaculture feedstuffs which now constitute more than 70 percent of total cost of production. This opens export market for U.S. shrimp/aquaculture feedstuffs, feed ingredients and technology.

Dairy Sector

The milk industry in Ghana is characterized by near total dependence on bulk milk imports (primarily powdered milk and processed milk products). Total volumes average about 50,000-100,000 tons of milk equivalent per year. Domestic milk production in Ghana is low and is conservatively estimated at 36,000 liters, and only a minute amount of this enters formal marketing channels. Requirements of dairy and dairy products by the major dairy processors in Ghana are approximately estimated to be about 100,000 tons annually. Ghana's dairy processors (including ice cream, baby foods, chocolate milk, yoghurt, and long-life milk producers) rely on combining and reconstituting milk powder imported mostly from the European Union (Netherlands, Denmark). Processed infant formula, cheese, butter, as well as high-end ice cream, are also imported.

Dairy imports were valued at more than \$100 million in 2007. U.S. dairy products exports to Ghana grew from \$0.29 million in 2006 to \$1 million in 2007 and are expected to reach \$2.5 million in 2008. U.S. market share, though growing, remains small despite the higher quality perception of U.S. processed dairy products among Ghanaian consumers. U.S. supplies are disadvantaged due to higher freight costs compared to products from the European Union.

Growing population, increasing urbanization, and rising per capita income are expected to stimulate rising demand for dairy based products. Meanwhile, domestic production remains

insufficient due to increasing production/processing costs, non-competitiveness of the industry, and the failure to incorporate more advanced technologies. More efficient dairy processing in the United States should provide U.S. suppliers an advantage over third-country suppliers in exporting processed dairy products to this market. Additionally, there is export potential for livestock genetics, fodders and dairy-based food processing inputs which will likely increase if local infrastructure is improved and production/processing costs lowered.

	2006	2007	2008(estimated)
Total Market Size	90	95	100
Total Local Production	0.001	0.001	0.001
Total Exports	0	0	0
Total Imports	89.999	94.999	99.999
Imports from the U.S.	0.29	1.19	2.5

Note: Figures in millions of dollars and only include formally marketed products and estimates from industry contacts.

SECTION IV: MARKET ENTRY STRATEGY

New-to-market exporters from the United States should consider the following market entry strategies and tactics:

- ❖ Appoint a local agent/distributor or representative in Ghana to register the products with the appropriate GOG regulatory bodies, to introduce their products to the market, and to develop consumer demand. For assistance contact the FAS Office, U.S. Embassy, Accra-Ghana.
- ❖ Identify and sell through consolidators based in the United States who are already serving the West African region.
- ❖ Exhibit at trade shows in the United States, which are attended by Ghanaian importers. This will also make follow-up contacts easier.
- ❖ Offer food product shipments in mixed lot containers and flexible shipping volumes.
- ❖ Support activities for in-store, and point-of-sale promotions in numerous small-sized outlets.
- ❖ Adopt a pricing strategy which encourages importers to initiate buying activities with U.S. suppliers.
- ❖ Send sample products and sales catalogs to Post and to prospective local buyers.

SECTION IV BEST PROSPECTS**Product Types Offering the Most Sales Potential**

The following are the consumer-oriented products with the best prospects and most sales potential in the Ghanaian market:

1. Frozen poultry and fish products
2. Fruit preparations and juices
3. Canned fruits and vegetables
4. Tomato puree/ketchup
5. Bottled vegetable cooking oil
6. Milk (liquid milk, skimmed and whole powdered milk)
7. Spices and sauces including soy sauce
8. Mixed seasoning
9. Condiments
10. Breakfast cereals
11. Margarine/butter
12. Pasta products
13. Snack foods (biscuits, cakes, etc.)
14. Confectionery products (candies, gums, etc.)
15. Ice cream and yoghurt concentrates
16. Spirits, liqueurs
17. Beers and Wines
18. Non-alcoholic beverages (Tea, coffee, fruit drink)
19. Bakery and other food ingredients (yeast & baking powder)
20. Mayonnaise and salad dressing
21. Baby foods
22. Canned soups/powdered soups
23. Health food products

SECTION V: POST CONTACT AND FURTHER INFORMATION

Ali A. Abdi, Agricultural Attaché

Levin Flake, Assistant Agricultural Attaché

Office of Agricultural Affairs

US Consulate General

2 Walter Carrington Crescent

Victoria Island, Lagos, Nigeria

Tel: (234) 1 261-3926, 775-0830

Fax: (234) 1 262-9835

Email: aglagos@usda.gov

Website: www.fas.usda.gov

Elmasoeur Zipporah Ashitey

Agricultural Specialist

Office of Agricultural Affairs

Embassy of the United States of America

NO 20, fourth Circular Rd, Cantonments,

P O Box GP194, Accra, Ghana

Telephone: 233-21-679267

Fax: 233-21-231218

Email : Elmasoeur.Ashitey@usda.gov

Email : Agaccra@usda.gov

Website: www.fas.usda.gov

Appendix I: Ghana's economic Structure (Annual Indicators)

	2003*	2004*	2005**	2006**	2007
GDP(US\$ bn)	7.6	8.9	10.6	11.9	13.5
Real GDP growth %	5.2	5.8	5.8	6.0	5.5
Consumer price inflation (av; %)	26.7	12.6	15.1	10.9*	10.6
Population (m)	21.6	22.1	22.5	23.0	23.5
Exports of goods fob (US\$m)	2,562.4	2,704.5	2,802.2	3,762.8	4,182.8
Imports of goods fob (US\$m)	3,232.8	4,297.3	5,345.4	6,603.7	7,631.8
Current Account Balance (US\$m)	302.3	-315.9	-811.6	-985.6	-1,558.1
Foreign exchange reserves excluding gold (US\$m)	1,352.8	1,626.7	1,752.9	2,090.3*	2,173.9
Total external debt (US\$bn)	7.6	7.1	6.7	3.3***	4.8
Debt-service ratio paid (%)	11.3	5.1	5.2	2.7	3.0
Exchange rate (AV)GHC:US\$	0.9	0.9	0.9	0.9*	0.9

Notes: *Actual. **Economic Intelligence Unit estimates; *2006 as part of the multilateral debt relief initiative (MDRI) and the heavily Indebted poor countries initiative (HIPC), Ghana external debt was subject to a substantial write-off.**